

Questions for the Siting Committee Workshop

Development of a Strategic Plan for DG

Respectfully submitted by:

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Scope of the Energy Commission Strategic Planning Effort

While Solar Turbines has shipped more than 300 combustion turbines to commercial/industrial sites in the State of California since 1963, and serving applications up to 50 MW – the term “distributed generation” has become synonymous with sub-1MW applications.

Clearly, the definition of “distributed generation” should be clarified so as not to exclude commercial and industrial facilities, many of which are already enjoying the benefits of onsite power.

CARB, through SB1298, has drafted a guidance document for air quality standards for distributed generation applications 1-50 MW. Part of this document prescribes an appropriate credit for CHP applications. This goes a long way in outlining a “standard”, one that could greatly streamline the permitting process. The problem, there are 35 or so air districts in California, each with different requirements.

CHP can offer a number of environmental and economic benefits – but a number of barriers remain in place that prevent more widespread adoption of this application. A chief objective of the workshop should be to identify these barriers, then focus on those barriers that the CEC is in a position to influence. One such barrier would be rate structure. Standby charges/exit fees, for example, should not be in place merely to curb adoption of an otherwise viable alternative to the grid.

In terms of technologies – it would appear that the definition of “distributed generation” could go a long way in identifying viable technologies. Two criteria that come to mind are both emissions profile and RAM-D (Reliability, Availability, Maintainability and Durability) – given that these technologies will compete with the grid.

Vision, Mission and Goals of an Energy Commission Strategic Plan

Ultimately, adoption of DG by residential, commercial and industrial users will be measured by the economic benefits. The mission of the CEC should be to ensure that an otherwise good economic decision – such as onsite CHP – is not disregarded as a result of unfair regulatory obstacles.

The adoption of air quality standards and closer review of rate structure would go a long way towards this end.

Policies to Develop for the Strategic Plan

CHP in the State of California deserves more than it got with 28X. For example, it seems rather arbitrary to restrict qualifying applications to 5 MW – why not larger, like 25 MW? Further, the deadline should be extended. After all, life cycle analysis for most projects is over 10- and 15-year time horizons.

What is lacking most is candid discussion amongst the stakeholders. To the degree that the CEC is able to bring the stakeholders together and engage in constructive dialogue, we can all

benefit greatly. Toward this end, the workshop should be a very worthwhile experience for all of us.

Procedurally, I like the idea of cross-functional working groups.